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August 10, 2006

Utah Coal Program
Utah Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Sacorias c/015/0018 newtask 2600

Re: Response to Deficencies Pertaining to Phases I, II, and III Lease Relinquishment, PacifiCorp, Deer Creek Mine, C/015/018, Emery County, Utah, Task #2477.

PacifiCorp, by and through its wholly-owned subsidiary, Energy West Mining Company ("Energy West") as mine operator, hereby submits updated information for the supplemental volume entitled "Supplemental Volume, Legal and Financial Information". This information is in response to the deficiencies that were received from the Division on May 22, 2006 (Task ID# 2477). The deficiencies were the result of the March 2006 submittal of BLM lease relinquishment decision documents for incorporation in the Supplemental Volume 1 - Phase I, II, and III Lease Relinquishment Information. As the deficiencies only required updating lease information in Appendix C of the Legal and Financial Volume, the entire volume needed updated to reflect current information. This updated information is addressed in a separate Amendment titled "Amendment to the Legal and Financial Volume to Include Updated Information, PacifiCorp, Cottonwood/Wilberg Mine, C/015/019, Deer Creek Mine, C/015/018, and Des Bee Dove Mine C/015/017, and Trail Mountain Mine C/015/009, Emery County, Utah." This information is being submitted simultaneously with this document.

Included with this document is as follows:

Supplemental Volume, Legal and Financial Volume Appendix C, Underground Right of Entry Information

Cottonwood Mining and Reclamation Plan - Volume 3
Plate 1-1, Coal Lease and Ownership Map
Plate 1-2, Surface Ownership Map

Deer Creek Mining and Reclamation Plan - Volume 4
Plate 1-1, Coal Lease and Ownership Map
Plate 1-2, Surface Ownership Map

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DIV. OF OIL, GAS & MINING

Huntington Office: (435) 687-9821 Fax (435) 687-2695 Purchasing Fax (435) 687-9092 Refer to Expandable 081020016
file in C0150018. 2006. Incoming
for additional information

Deer Creek Mine: (435) 687-2317 Fax (435) 687-2285 Included with this submittal are seven (7) complete copies for Division review. One (1) hard copy and a CD has been included for map review. C1/C2 forms are also included. If there are any questions or concerns regarding the submitted information, please feel free to contact myself at (435) 687-4720 or Dennis Oakley at (435) 687-4825.

Sincerely,

Chuck Semborski

Geology/Permitting Supervisor

cc

Doug Johnson (EWMC) Scott Child (IMC)

File

Attachment:

C1/C2 Forms

Deficiency Responses

Supplemental Volume, Legal and Financial Information

Appendix C, Underground Right of Entry Information

Cottonwood Permit, Volume 3, Plate 1-1, Coal Ownership, Plate 1-2, Surface Ownership Deer Creek Permit, Volume 4, Plate 1-1, Coal Ownership, Plate 1-2, Surface Ownership

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer								
Permittee: PacifiCorp								
Mine: Cottonwood Mine, Deer Creek Mine, Permit Nu	mber: C/015/0019, C/015/0018,							
Title: Response to Deficencies Pertaining to Phases I, II, and III Lease Relinquishment, PacifiCorp, Deer Creek Mine, C/015/018, Emery County, Utah, Task #2477								
Description , Include reason for application and timing required to implement:								
To submit current ownership and control information.								
Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.								
Yes No 1. Change in the size of the Permit Area? Acres: Disturbed Area: 2. Is the application submitted as a result of a Division Order? DO# 3. Does the application include operations outside a previously identified Cumulative Yes No 4. Does the application include operations in hydrologic basins other than as curren Yes No 5. Does the application result from cancellation, reduction or increase of insurance of Yes No 6. Does the application require or include public notice publication? 7. Does the application require or include ownership, control, right-of-entry, or com Yes No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of ar Yes No 9. Is the application submitted as a result of a Violation? NOV # 10. Is the application submitted as a result of other laws or regulations or policies?	atly approved? or reclamation bond? appliance information?							
Explain: Yes ⋈ No 11. Does the application affect the surface landowner or change the post mining land Yes ⋈ No 12. Does the application require or include underground design or mine sequence and Yes ⋈ No 13. Does the application require or include collection and reporting of any baseline in Yes ⋈ No 14. Could the application have any effect on wildlife or vegetation outside the current Yes ⋈ No 15. Does the application require or include soil removal, storage or placement? Yes ⋈ No 16. Does the application require or include vegetation monitoring, removal or revege Yes ⋈ No 17. Does the application require or include construction, modification, or removal of Yes ⋈ No 18. Does the application require or include water monitoring, sediment or drainage or Yes ⋈ No 19. Does the application require or include certified designs, maps or calculation? Yes ⋈ No 20. Does the application require or include subsidence control or monitoring? Yes ⋈ No 21. Have reclamation costs for bonding been provided? Yes ⋈ No 22. Does the application involve a perennial stream, a stream buffer zone or discharg Yes ⋈ No 23. Does the application affect permits issued by other agencies or permits issued to	d timing? (Modification of R2P2) nformation? nt disturbed area? etation activities? f surface facilities? control measures? ges to a stream?							
Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office) I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments undertakings, and obligations, herein. Charles A. Semborski Charles A. Semborski								
Notary Public No	CHILDS C+STATE of UTAH MAIN STREET DN, UT 84528 ES 11-23-2008							

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For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining

Form DOGM- C1 (Revised March 12, 2002)

APPLICATION FOR COAL PERMIT PROCESSING Detailed Schedule Of Changes to the Mining And Reclamation Plan

Permit	Permittee: PacifiCorp								
Mine:	Cottonwood 1	Mine, Deer Cr	reek Mine, Permi	it Number:	C/015/0019, C/015/0018,				
Title:			cies Pertaining to Phases I, II, and III Lease Relinquishment, PacifiCorp, Deer Creek Mine, Jounty, Utah, Task #2477						
applicat of conte	ion. Individually nts, section of th	y list all maps and ne plan, or other	to the Mining and Reclamation Plan, which is required as and drawings that are added, replaced, or removed from the information as needed to specifically locate, identify and an and drawing number as part of the description.	e plan. Includ revise the exi	e changes to the table sting Mining and				
	575		DESCRIPTION OF MAP, TEXT, OR MATERIA						
Add	⊠ Replace	Remove	Legal and Financial Volume, Appendix C (Cottonwood and Deer Creek Mines Only)						
Add	Replace	☐ Remove	Cottonwood Mine Permit, Volume 3, Plate 1-1, Coal Ownership						
Add	Replace	Remove	Cottonwood Mine Permit, Volume 3, 1-2, Surface Ownership						
Add	⊠ Replace	Remove	Deer Creek Mine Permit, Volume 4, Plate 1-1, Coal Ownership						
Add	Replace	Remove	Deer Creek Mine Permit, Volume 4, Plate 1-2, Surface Ownership						
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Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan. Received by Oil, Gas & Mining									
Note: Plates 1-1 and 1-2 of the Cottonwood and Deer Creek Mines, as well as, Appendix C of the Legal and Financial Volume are being reviewed under a separate amendment referred to as		RI	ECEIVED						
"Amendment to the Legal and Financial Volume to Include Updated Information, PacifiCorp, Cottonwood/Wilberg Mine, C/015/019, Deer Creek Mine, C/015/018, and Des Bee Dove Mine			4	UG 1 1 2006					
C/015/017, and Trail Mountain Mine C/015/009, Emery County, Utah				DIV. OF	OIL, GAS & MINING				

Form DOGM - C2 (Revised March 12, 2002)

The following responses to deficiencies are formatted as found in the technical analysis document. They are broken down into logical section headings similar to the R645 regulations. In each section, the regulation number along with the associated deficiency is follow by the Permittee's italicized response.

R645-301-124.300, Because lease relinquishment information is not confidential, please revise the first statement of the last paragraph on page 1-12 of the Legal and financial Volume, concerning the location of lease relinquishment information. A better placement for this information is in Appendix C of the Legal and Financial volume (another volume common to PacifiCorp mines) that contains detailed coal-lease information that is affected by these lease relinquishments.

Lease relinquishment has been an on-going process since 1992 when Phases I and II were originally submitted to the BLM for release. The lease relinquishment was submitted confidentially under 43CFR Part 3481.3 which protects critical trade information. Upon termination of the lease, such information shall be made avaliable to the public. In 2002, Energy West submitted and had approved the Supplemental Volume 1, Lease Relinquishments to give the Division a historical prospective of the relinquishment process it followed. In 2004, Energy West submitted an amendment to include a BLM Approval tab in the volume to document all approved relinquishments. The Division approved this amendment on May 4, 2005. All leases in Phases I, II, and III have been approved for relinquishment, therefore, it is our interpretation that Supplemental Volume 1, Lease Relinquishments shall be made available to the public. Energy West suggests the paragraph under the Section heading of "Miscellaneous" remain unchanged.

R645-301-114, The Permittee needs to update the relinquished acreage in <u>Underground Right-of-Entry Information with Cited Surface and Subsurface Ownership</u> chart of Appendix C in the Legal and Financial Volume to agree with the March 2006 BLM documents.

The Right of Entry information in Appendix C of the Legal and Financial Volume has been updated to agree with the March 2006 BLM documents. Included with this submittal are seven copies for Division review.

R645-301-121.200, The Permitee needs to reconcile the acreage figures for lease U-1358 in Appendix C of the Legal and Financial Volume with information in the BLM lease relinquishment documents. i.e. 40 acres relinquished, 120 acres active right of way.

The noted lease, as well as other leases which PacifiCorp obtained partial relinquishment has been reconciled and show the current lease rights of way and the historical partial relinquishment of each lease. Partial relinquishment was obtained for coal leases SL-070645, U-002292, UTU-084923, UTU-084924, UTU-1358, UTU-040151, and UTU-083066. Included with this submittal are seven copies of the revised Legal and Financial Volume, Appendix C for Division review.

R645-301-521.131, Vol. 4, Plate 1-1 needs to be updated to show all lease relinquishments; however, all relinquished lands remain subject to SMCRA requirements and therefore should not be removed from within the permit area.

Plates 1-1 (Coal Lease and Ownership Map) and Plate 1-2 (Surface Ownership Map) in Volume 4

of the Deer Creek Mining and Reclamation Plan, and Volume 3 of the Cottonwood Mining and Reclamation Plan have been revised to show the current lease holdings and permit boundaries. Appendix G of the Legal and Financial Volume has been revised and included to record the amended permit boundaries of both the Deer Creek and Cottonwood permit areas.

As leases are relinquished, the Permittee no longer has right of entry into the lease. Therefore, these areas have been removed from the permit boundary of each of the noted Mining and Reclamation Permits.